

# **LBA Performance Audit Report Summary:**

Department of Health and Human Services, Multiple DWI Offender Program -  
December 1995

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The Multiple DWI Offender Program (MOP) was authorized, in 1987 by RSA 172-B:2-b, to stiffen the penalty for drivers convicted of multiple driving while intoxicated (DWI) offenses. The program began operation in March 1989. The MOP's operations are directed by the Bureau of Substance Abuse Services (BSAS), within the Division of Mental Health and Developmental Services (DMHDS). Until the 1996 reorganization of the Department of Health and Human Services (DHHS), the MOP operated under the direction of the Office of Alcohol and Drug Abuse Prevention (OADAP). The observations and findings reported in the report refer to the time period when the MOP was under the OADAP.

During the audit period of March 1989 through June 1995, the MOP had 20 full-time and six part-time employees. As of June 30, 1995, the MOP reported a total of 4,624 clients completing the program since its inception. Program capacity at the MOP is 34 clients per week, but the program has never operated at capacity. Attendance data from MOP annual reports for the period March 31, 1989 to June 30, 1995 indicated average attendance has been 15.6 clients per week, or 45.9 percent of capacity.

MOP clients receive an evaluative and educational program beginning after they have served at least three days in a county house of correction. Each seven-day program cycle starts on Friday evening and continues along a scheduled format through the following Thursday evening. The program uses individual and group counseling, classroom instruction and other educational strategies to help clients make self-assessments and define their discharge plans. The MOP also evaluates the DWI offender's use of alcohol and other drugs and makes recommendations for further evaluation, treatment, or both after the client is discharged. Aftercare must be completed before driving privileges can be restored.

The MOP receives operating funds from the general fund and client fees. State law requires the MOP to be self-supporting, with all expenditures except start-up costs derived from client fees. Although client fees are supposed to be sufficient to meet program expenditures, they have never fulfilled that requirement. As of June 30, 1995, client fees collected totaled almost \$1.7 million on expenditures of \$4.1 million.

FY 1995 expenditures were \$766,760, the largest single expenditure category being personnel costs. FY 1995 expenditures were 39.1 percent higher than its first full fiscal year of operation in FY 1990. Expenditures per MOP client increased from \$754 in FY 1990 to \$995 in FY 1995 (32.0 percent). Permanent employee salaries increased from \$448 per client to \$596 per client (33.0 percent) during this time period.

The MOP had a total accumulated operating deficit of \$2,367,918 million as of June 30, 1995. The MOP has the only significant operating deficit in the State's General Fund as reported in the

State's Comprehensive Annual Financial Report. Of the almost \$2.4 million operating deficit, \$1.1 million is owed by clients who completed the program from fiscal years 1989 through 1995. There are 2,231 outstanding accounts; almost 66 percent are at least one year in arrears. But, even with a perfect collection rate, the fee would not, could not, and has never generated enough revenue to cover the MOP's operating costs in any year. The fee would had to have been about \$754 in 1990, and nearly \$995 per client in 1995, for the program to be totally self-supporting as required by statute. At \$675, the fee would have to be increased 47.4 percent to meet the MOP's expenditure requirements, assuming a collection rate of 100 percent.

Most of the problems at the MOP stem from management deficiencies at the program and its former parent agency, the OADAP. The problems we identify have arisen from several years of insufficient attention by management to self-evaluation, fiscal management and accountability, and control over necessary functions. From initial indications, the Bureau of Substance Abuse Services and DMHDS management appear to be seriously addressing recommendations regarding the MOP fee, collections, and management controls, as well as evaluating expenditures and developing better effectiveness indicators.

We noted 28 observations and recommendations regarding the MOP. Five of these address the MOP's operating deficit. Six observations and recommendations concern the MOP's collections and 11 deal with management controls. Six observations address the program's effectiveness, one of these recommends the program demonstrate its effectiveness to the Legislature.

Two of the management control observations address irregular practices, one of which concerns possible fraud. Both of these observations are related to receipt and deposit of client fees at the program. We referred the observation concerning possible fraud to the DHHS commissioner's office for review.

We found that the MOP's expenditures for personnel, food, and rent have been higher than necessary. In particular, the MOP has too many weekday substance abuse counselors for the number of clients it serves and has been using counselors to track compliance with aftercare recommendations, a responsibility which by statute belongs to the clients. In addition, the MOP has always provided free meals to its staff, causing it to spend more on food than it should. Finally, the MOP's building is too large for its needs and is in serious disrepair, resulting in expenditures for space that it can not use and does not need. Finally, we report that even if all MOP clients paid their fees in full, which they do not, the program would still be running at a deficit because the fee is insufficient to meet current expenses.

We also observed numerous inadequacies in the MOP's collection process which contribute to the program's operating deficit. Areas of concern include inadequate collection procedures, insufficient oversight and interest on behalf of management, underutilized existing collection tools, and an improperly instituted late fee. In the face of mounting deficits, the MOP has failed to develop any strategy to get the program's collection efforts back on track. Instead, it relies on the State's general fund to bolster its inadequate receipts, which is contrary to statutory requirements. Furthermore, the program has created and reinforced an impression among clients that the MOP is not genuinely interested in collecting its fees in a timely manner.

We determined that the MOP's management control structure needed improvements to ensure efficient operation and to minimize the potential for fraud and abuse. We found possibly fraudulent actions concerning missing deposits and unauthorized borrowing from cash receipts and observed numerous weaknesses in procedures for collecting, depositing and recording receipts, and for reconciling bank accounts. In addition, we noted several deficiencies in the administrative support area. Policies and procedures were minimal or nonexistent in both the financial management and program operations areas, and we found three instances of noncompliance with statutory law and administrative regulations.

Evaluating the program's effectiveness turned out to be unworkable due to the absence of comparative data for an analysis we conducted of DWI recidivism among MOP clients, and because in December 1994 the MOP destroyed all client evaluations going back to the program's beginning. Although we could not use completed client evaluation forms to assess program effectiveness, we evaluated the forms themselves as information gathering instruments. We found that the MOP needs to improve the forms it uses to obtain client evaluations of its effectiveness, as well as the tests it uses for assessing substance abuse among its clients. We still find that program effectiveness should be measured in order to determine whether the program warrants continued State support. We therefore recommend that the DHHS be required to evaluate the MOP's effectiveness and report its findings to the Legislature. We also recommend improvements in MOP's system of safeguarding its clients and the building, and in the quality of the weekend curriculum.